

Message Text

UNCLASSIFIED

PAGE 01 PRETOR 02686 100832Z
ACTION FBOE-00

INFO OCT-01 AF-10 ISO-00 A-01 TRSE-00 /012 W
-----057902 101052Z /13

R 100730Z MAY 78
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 1187

UNCLAS PRETORIA 2686

E.O. 11652: N/A
TAGS: ABLD, PDIP
SUBJECT: WAIVER OF TAXES ON RECEPROCAL BASIS OF PROPERTY
OWNED BY USG AND SAG

1. ADMIN COUNSELOR WAS CALLED TO DEPARTMENT OF FOREIGN AFFAIRS AT REQUEST OF DEPUTY CHIEF OF PROTOCOL GROBBELAAR REGARDING EMBASSY'S NOTE NUMBER 4 OF JANUARY6, 1978 CONVEYING TO THE DFA A LISTING OF USG-OWNED PROPERTIES IN SOUTH AFRICA. LIST CONTAINED 14 PROPERTIES. GROBBELAAR EXPRESSED HIS SURPRISE AT THE NUMBER OF PROPERTIES WHICH THE USG OWNED IN SOUTH AFRICA AND FOR WHICH THE EMBASSY WAS ASKING EXEMPTION FROM SOUTH AFRICA TAXES BASED ON RECIPROCITY AS ALL SAG-OWNED PROPERTIES IN US WERE TAX EXEMPT (SEE STATE 305345).

2. GROBBELAAR ASKED WHETHER SUCH ADDITIONAL PROPERTY AS THE SAG MIGHT PURCHASE IN THE US WOULD ALSO BE TAX EXEMPT AT ALL LEVELS OF GOVERNMENT IN THE US. ADMIN COUNSELOR INDICATED THAT, AS US A REPUBLIC, HE COULD NOT REPLY AS STATES SOVEREIGN IN THIS REGARD, AND, FURTHER, QUESTION BEING HYPOTHETICAL WAS ALSO DIFFICULT TO RESPOND TO.

3. EMBASSY REALIZES IT IS, TO SOME DEGREE, BAITING THE QUESTION RE RECIPROCITY AND EXEMPTION FROM TAXATION, BUT USG CURRENTLY PAYS R1002.60 PER MONTH (US\$1551.20 AT \$.87 EQUALS R1.00) OR \$18,614.40 PER ANNUM, IN PROPERTY TAXES TO VARIOUS MUNICIPALITIES IN SOUTH AFRICA. (USG UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PRETOR 02686 100832Z

HAS BEEN PAYING THESE TAXES SINCE PROPERTIES WERE ACQUIRED.)

AS "ALL" SAG-OWNED PROPERTIES IN US CURRENTLY EXEMPT FROM TAXES (ALBEIT THEY CONSIST APPARENTLY OF ONLY AMBASSADOR'S RESIDENCE AND CHANCERY IN WASHINGTON, D.C. AND A CONDOMINIUM IN NEW YORK CITY), IT COULD BE ARGUED THAT "ALL" USG- OWNED PROPERTY IN SOUTH AFRICA SHOULD ALSO ENJOY

THE SAME STATUS (EVEN THOUGH THESE PROPERTIES ARE
OCCUPIED BY PERSONS OTHER THAN AMBASSADOR).

4. ENTIRE ISSUE ORIGINATED BY DFA CIRCULAR NOTE OF
NOVEMBER 29, 1977, IN WHICH IT ASKED ALL DIPLOMATIC MISSIONS
IN SOUTH AFRICA TO SUBMIT A LIST OF PROPERTIES OWNED BY
THE MISSION'S GOVERNMENT IN REPUBLIC OF SOUTH AFRICA AS WELL
AS IN SOUTH WEST AFRICA, AND CONFIRMATION THAT "... AS THE
PAYMENT OF MUNICIPAL RATES AND TAXES IN RESPECT OF SUCH
PROPERTIES IS ONE THE BASIS OF RECIPROCITY...GOVERNMENTS
WILL PAY SUCH RATES AND TAXES ON PROPERTIES OWNED BY THE
REPUBLIC OF SOUTH AFRICA IN THEIR COUNTRIES."

5. EMBASSY WOULD APPRECIATE DEPARTMENT'S ADVICE AND
GUIDANCE AS TO HOW TO PROCEED IN THIS MATTER. SHOULD EMBASSY
CONTINUE TO STRIVE AND OBTAIN TAX-FREE STATUS FOR ALL
US-OWNED PROPERTY IN SOUTH AFRICA? OR SHOULD IT LET
MATTER DROP AND BE CONTENT WITH TAX EXEMPTION IN CURRENTLY
ENJOYS ON RESIDENCES OF AMBASSADOR LOCATED IN CAPE
TOWN AND PRETORIA ?
NELSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC PRIVILEGES, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PRETOR02686
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780198-0192
Format: TEL
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780574/aaaackmk.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 274830a1-c288-dd11-92da-001cc4696bcc
Office: ACTION FBOE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2735561
Secure: OPEN
Status: NATIVE
Subject: WAIVER OF TAXES ON RECEPROCAL BASIS OF PROPERTY OWNED BY USG AND SAG
TAGS: ABLD, PDIP, US, SF
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/274830a1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014